

BUSINESS DISTRICT WEBINAR

SMALL BUSINESS RESOURCE UPDATES

Monday, January 11, 2021
12-1pm





Housekeeping items

- Today's training is being recorded and is scheduled to last 60 minutes, including Q & A
- Questions can be submitted at any time in the chat box.
- Slides and a recording of this presentation will be emailed.

Agenda

1. Welcome!
2. New Stimulus Package: SBA PPP and EIDL loans
3. City's Small Business Stabilization Fund update
4. City funding for hospitality workers
5. Other updates



Getting Ready for the Next Round of SBA loans

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<https://ndconline.org/covid-19-resources/>

Key features of the new stimulus package

- \$284B for renewed Paycheck Protection Program, including added flexibility and changes to the program
- Extension to SBA Economic Injury Disaster Loan (EIDL) and \$20B for additional Loan Advance grants
- \$15B grants for shuttered live venues through SBA



Paycheck Protection Program



Paycheck Protection Program Basics



- Forgivable loan
- Loan amount based on 2.5 times average monthly payroll
- 100% of loan forgiven based on 60%/40% split - where at least 60% of loan utilized for payroll and balance used for rent, mortgage, interest, utilities
- For expenses during covered period of 24 weeks after loan funds received

Key PPP Changes



- PPP is now open to new and previous borrowers
- Businesses in Accommodation and Food Service industries (NAICS code 72) may receive loans of up to 3.5 times average monthly payroll
- Borrower may elect covered period between 8 and 24 weeks after loan funding
- Simplified forgiveness application for loans <\$150K, yet to be defined
- Second time borrowers must document 25% revenue reduction on an annual basis 2019 to 2010 or quarterly basis comparing same quarter 2020 to 2019 (not required for first time borrowers)





Paycheck Protection Program

Additional Eligible Expenses

- Operations expenditures - including payment for any software, cloud computing, and other human resources and accounting needs
- Property damage costs - including costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance
- Supplier costs - including expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made.
- Worker protection expenditures - including PPE and adaptive investments to help business comply with COVID health and safety guidelines.



PPP Eligibility



Paycheck Protection Program

- Must be in business on or before Feb 15, 2020
- Targeted to smaller, harder-hit businesses, with a maximum loan amount of \$2M
- No more than 300 employees
- Businesses may qualify for 2nd PPP loan if they have spent or will fully spend first PPP loan and demonstrate at least a 25% reduction in gross receipts comparing like periods between 2019 and 2020. (Revenue loss not required for first time PPP loan)
- Eligible entities include businesses, certain non-profit organizations, housing cooperatives, veteran organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives. 501(c)(6) and Destination Marketing Organizations are also now eligible.



Simplified Forgiveness for loans < \$150k



- Description of number of employees the borrower was able to retain because of PPP loan
- Estimated total amount of PPP loan spent on payroll costs
- Total PPP loan amount
- Borrower provided required certification and complied with Paycheck Protection Program
- Borrowers required to retain relevant records related to employment for four years and other records for three years. SBA may review and audit to prevent fraud.
- Forms yet to be provided

Prepare for PPP



- ☐ For 2nd PPP loan, revenue comparison demonstrating COVID impact, forms yet to be defined
- ☐ 2019 business tax return, personal tax return if sole proprietor
- ☐ IRS forms 940 and 941 (these are annual and quarterly payroll reports)
- ☐ Payroll calculator
- ☐ Driver license
- ☐ Validate ownership 20% or more
- ☐ Articles and bylaws
- ☐ Businesses can apply with their local PPP lender. City is working with partner lenders including National Development Council, Business Impact NW, Verity Credit Union and Key Bank who have indicated they will participate in the PPP program as lenders.
- ☐ Application deadline March 31, 2021



SBA EIDL and EIDL Advance Basics



- Disaster loan: 30-year loan at 3.75% for businesses, 2.75% for nonprofits
- No prepayment penalty or fees
- Loan amount generally determined by 6 months of losses
- Utilized for capital and normal operating expenses
- Collateral only required for loans over \$25K
- EIDL Advance was a grant for \$1K per employee up to \$10K, counted towards your approved EIDL amount.



SBA EIDL and EIDL Advance Changes



- SBA EIDL and Advance extended through Dec 31, 2021
- EIDL Advance targets businesses in low-income communities
- If a business previously received the loan advance and is located in a low-income community, it can receive the balance up to \$10K
- New applicants in low-income communities that did receive grant can apply for full \$10K
- EIDL Advance is no longer deducted from PPP forgiveness amount



SBA EIDL and EIDL Advance Changes



- EIDL utilized for operation expenses, not equipment, refinancing or relocation
- EIDL payments are still deferred one year from loan funding
- EIDL is one loan per business, business can request loan increase
- To check status of EIDL call 1800 659-2955 and ask for Tier 2
- To request increase or change to EIDL or dispute underwriting, contact pdcrecons@sba.gov
- Information and application here <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loans>



Grants for Shuttered Live Venue Operators

- \$15B for live venue operators, promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate at least a 25% reduction in revenues.
- \$2B set aside for these entities that employ no more than 50 FTE
- Initial grant of up to \$10M to an entity and a supplemental grant that is equal to 50% of initial grant.
- For the first 14 days of implementation of the program, grants shall only be awarded to entities with 90% or greater revenue loss.
- Second 14 days of implementation grants shall only be awarded to entities with 70% or greater revenue loss.
- After these two periods, grants shall be awarded to all other eligible entities.
- Grants shall be used for expenses such as payroll costs, rent, utilities, and personal protective equipment

Employee Retention Tax Credit (ERTC)

- Can use both PPP and ERTC now: Those who receive a PPP can qualify for the ERTC for wages that are not forgiven with PPP proceeds
- The ERTC credit is a reduction in the amount due on 941/940 reports of up to 70% of qualified wages
- Requires a year over year gross revenue decline of 20% or more
- Establishes a credit limit of \$10,000 per employee per quarter
- Allows businesses with 500 or fewer employees to advance the credit based on wages paid in the same quarter in a previous year
- Additional information and rules on the ERTC are available and more will be coming
- Link to IRS website – not updated for ERTC as of 1/8/21

www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act




Business Referrals to OED

In-language assistance for: Spanish, Vietnamese, Cantonese, Mandarin, Somali, Amharic, Korean, English, + Language Line for other languages

- Leave Voicemail, Email or Fill Out Form in language:
 - 206-684-8090
 - OED@SEATTLE.GOV
 - <https://oed.caimaps.info/cailive/intake>
- Team member will call business back in language or using language line



<https://oed.caimaps.info/cailive/intake>

 **Seattle** Office of
Economic Development

OED Intake Form

English 中文 Tiếng Việt 한국어 Español Soomaali አማርኛ ไทย

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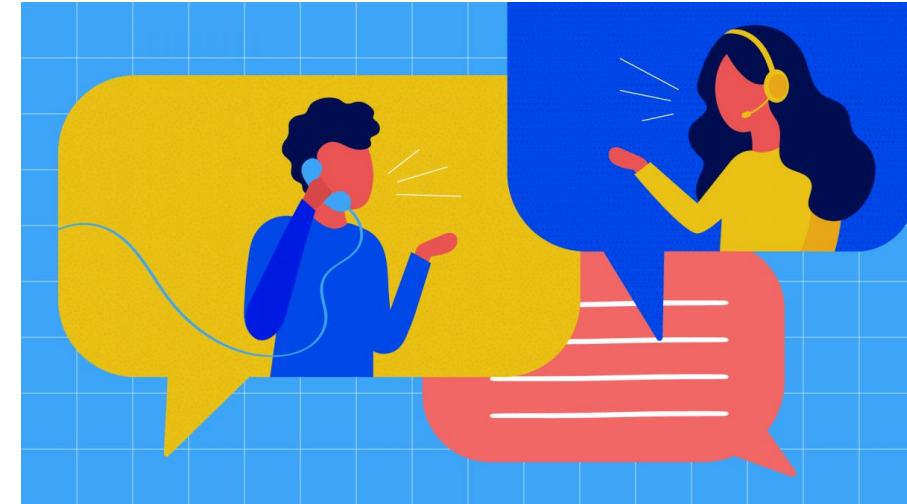
Enter your business name or address

Don't see your business information? Please continue and finish the survey



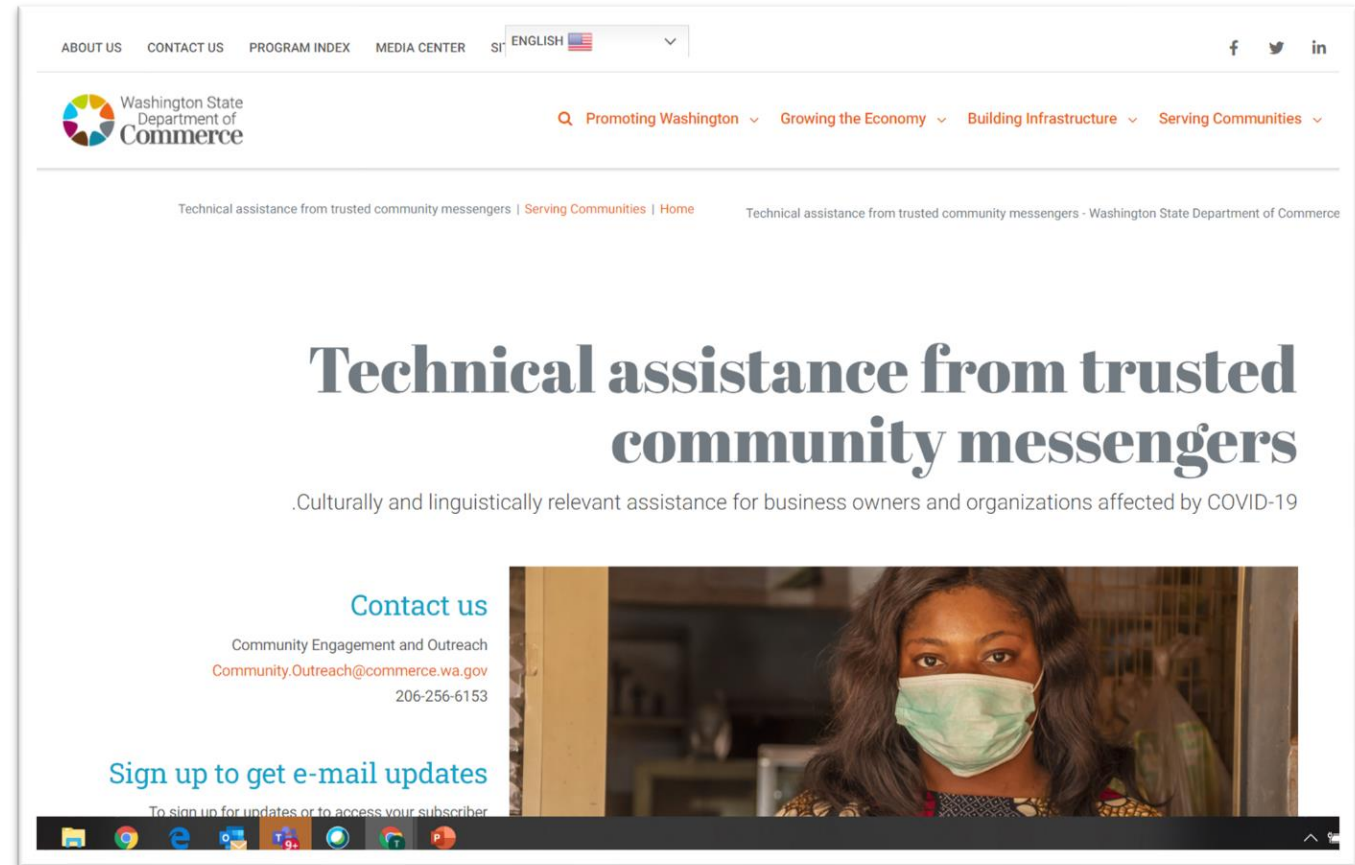
When to Refer to OED?

- SBA Loan Assistance – PPP Forgiveness, EIDL
- Unemployment Assistance
- Safe Start business reopening
- General Permitting
- Commercial Rent or landlord issues
- Utility Relief
- Other: Business License help, Consulting Resources, etc.



Other Language Assistance

- SBDC is referring to Washington State Dept of Commerce
- Many local organizations are listed as language support
- Interested in OED's Resource Team training?



<https://www.commerce.wa.gov/serving-communities/technical-assistance-from-trusted-community-messengers/>

Questions

Upcoming Webinars and Info from the Washington Small Business Development Center

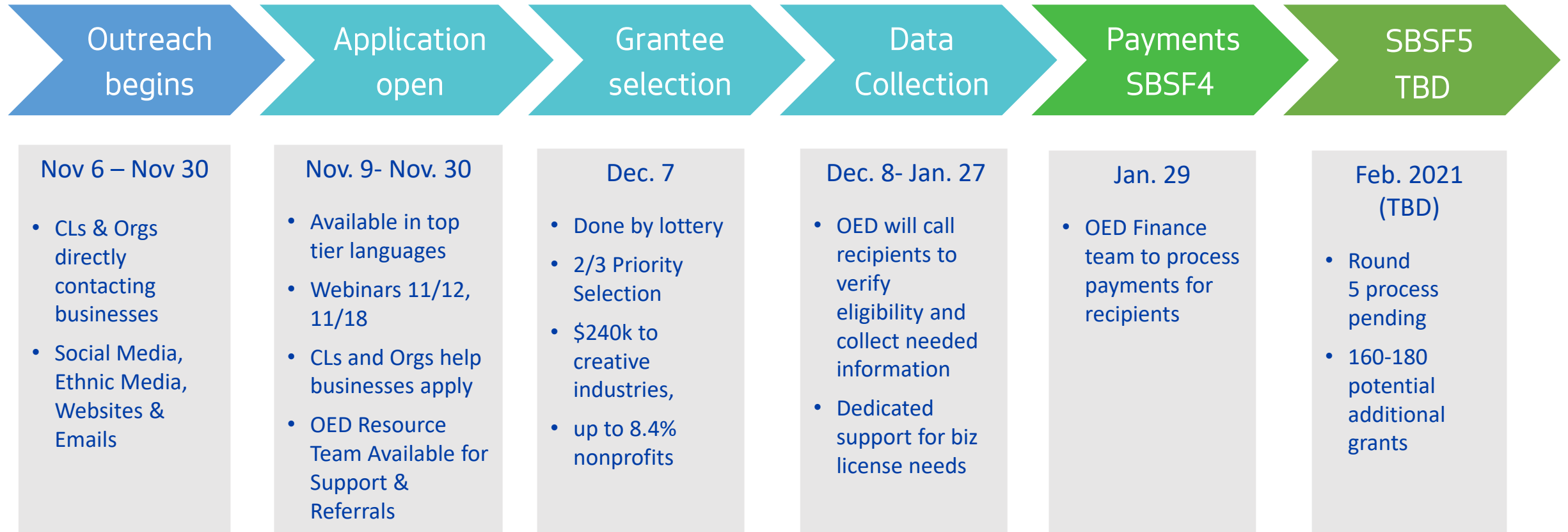
<https://wsbdc.ecenterdirect.com/events/99271349>

<https://wsbdc.org/protect-your-business/coronavirus-business-survival/>

<https://ndconline.org/small-business-lending/washington/>



SBSF Round 4 update



Small Business Stabilization Fund Update

SBSF Round 4

- 237 total grants, 129 completed
- Most of CDBG is done
- Remaining grants by end of Jan.

Office of Economic Development

Bobby Lee, Director

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Small Business Stabilization Fund

SBSF: \$1 million Community Directed

- OED will issue a Request for Proposals (RFP) to hire an organization to determine criteria, process
- Granting will be facilitated by OED

SBSF Round 5

Approximately 160-180 grants will be distributed at the end





\$2.5 million for Restaurants & Bars

Grant will be split evenly between all bars and restaurants in Seattle that:

- Applied for SBSF this round
- Submitted a 2019 Seattle B&O tax return
- Have an up-to-date business license within 30 days
- Are still open

Scholarship Junkies will send the checks and contact businesses. www.scholarshipjunkies.org

Start on Monday, goal to finish by end of Jan

Other City Funding: \$2.5 Million for Hospitality Workers

- Low-income workers in bars, restaurants, hotels & motels
- Need-based grants up to \$1,000
- City's Human Services Department is contracting with Wellspring Family Services to administer
- Application period Jan 11th - Feb 1st
- <https://hospitality.wellspringfs.org/>

Other restaurant worker resources:
<https://seattlerestaurantsunited.com/resources>



Seattle Dept of Education & Early Learning Recovery Grants



- The City of Seattle has more than \$2 million dollars for childcare providers through our Child Care Stabilization Fund.
- Funding is available to licensed childcare providers; family, friend, and neighbor caregivers; and school-age programs currently open and operating in Seattle.
- Applications will be open from Friday, January 15 through Wednesday, January 27, 2021 for licensed childcare providers and school-age programs.
- For family, friend and neighbor caregivers, the application will be open from Friday, January 15 through Friday, January 29, 2021.
- Watch your email or follow @SeattleDEEL on Facebook or Twitter for updates.
- Our partner, Child Care Resources, is making this opportunity available. Please reach out to your Child Care Resources' Coach for assistance with your application. If you do not have a Coach, please call Child Care Resources' Provider Support Line at 1-800-446-1114.



Unemployment – a few updates

- \$300 increase in Federal unemployment (section 203) from December 26 – March 14. These payments will *not* be retroactive
- Pandemic Unemployment Assistance (independent contractors, gig economy workers) extended to March 14
- allows those on PUA as of March 14 to claim through April 5; extends maximum number of weeks from 39 to 50 (section 201)

Employment Security Department: <https://esd.wa.gov/newsroom/covid-19>

Tips and Tricks Guide:

[https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/Unemployment/Guide for expanded benefits COVID.pdf](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/Unemployment/Guide%20for%20expanded%20benefits%20COVID.pdf)



Contact Us!

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Thank you!

Contact OED:

206-684-8090 or OED@SEATTLE.GOV

Resources for Businesses and Workers Impacted by COVID-19

<http://www.seattle.gov/office-of-economic-development/covid-19>

